

Audit Preparation Checklist for Small Businesses

Ensure your small business is ready for financial review with this **audit preparation checklist**. It covers essential steps to organize documents, verify compliance, and streamline the auditing process. Proper preparation helps minimize stress and maximizes accuracy during your audit.

Financial Documentation

- Gather all bank statements for the audit period
- Collect copies of canceled checks
- Assemble accounts receivable and payable reports
- Have all invoices, receipts, and expense reports ready
- Prepare payroll records and related tax filings

Internal Records & Reconciliations

- Reconcile all bank accounts
- Prepare trial balance and general ledger reports
- Review inventory records and reconcile physical counts
- Update fixed asset register and depreciation schedules

Legal & Compliance Documents

- Gather legal documents (leases, contracts, loan agreements)
- Compile licenses, permits, and insurance policies
- Ensure compliance with relevant tax laws and filings
- Prepare copies of prior audit reports (if any)

Preparation & Communication

- Appoint a main contact person for auditor inquiries
- Review audit requirements with your staff
- Organize requested documents for easy access
- Address all outstanding financial discrepancies

Final Review

- Double-check all documentation for accuracy
- Back up all electronic records
- Label and organize files to facilitate auditor review
- Conduct a pre-audit meeting with internal stakeholders